

22 October 2020
ASX and Media Release

MyDeal lists on the ASX, following strongly supported \$40m IPO

Highlights

- MyDeal lists on the ASX today after completing an initial public offering (“IPO”) that raised \$40m with an indicative market capitalisation of \$258.8m on listing.
- MyDeal generated record Gross Sales¹ of ~\$56.7m in Q1FY21, up 317% YoY.
- Number of Active Customers² grew 268% YoY to a record 669,897 as at 30 September 2020.
- The number of orders from returning customers in Q1FY21 up 55% on the prior quarter.
- MyDeal’s private label brands are rapidly expanding having generated Gross Sales exceeding \$1.6m since launch in June 2020 to 30 September 2020. MyDeal is targeting gross margins of 35-40% on its private label sales.
- Pioneer online retailer and founder of NORA, Paul Greenberg, appointed Non-Executive Chairman.

MyDeal.com.au Limited (ASX: MYD) (“**MyDeal**” or the “**Company**”), an online retail marketplace focussed on household goods such as furniture and homewares, is pleased to announce that its shares are due to commence trading on the Australian Securities Exchange (“**ASX**”) today following the successful completion of its initial public offering (“**IPO**”) that raised \$40m.

The \$40m IPO raised \$35 million for the Company through the issue of 35.0m new shares and \$5 million for certain existing shareholders through the sale of 5.0m shares at \$1.00, resulting in an implied market capitalisation on listing of \$258.8m. Voluntary escrow arrangements are in place for all substantial shareholders prior to the IPO, the directors, and the management team.

Proceeds from the IPO will be used to drive future growth, with proceeds of the IPO to be predominately used for:

- Growing MyDeal’s private label business;
- Investing in the Company’s proprietary technology including development and launching mobile apps for iOS and Android devices; and

¹ “Gross Sales” or “Gross Transaction Value” (“GTV”) is a non-IFRS metric that represents the total value (unaudited) of transactions processed by MyDeal, on a cash basis, before deducting refunds, chargebacks, discounts and coupons, but after deducting GST.

² “Active Customers” are customers who have bought products through the MyDeal platform during the last 12 months.

- Investing in advertising to grow the MyDeal customer base and brand.

The IPO was fully underwritten and received very strong demand from both institutional and retail investors. Demand for the offer significantly exceeded the target raising of \$40m, resulting in substantial scaling back of allocations.

MyDeal CEO and Managing Director, Sean Senvirtne commented: "This is a very exciting day for MyDeal, and I am delighted with the strong support that we received from both institutional and retail investors. Today is an important milestone for MyDeal, however, this is still the beginning of our journey. I would like to thank our long-term shareholders for their ongoing support, and welcome new shareholders to be part of the exciting journey ahead of us."

"I would also like to thank the amazing team at MyDeal. It has been an incredible journey, and this milestone would not have been possible without your hard work and dedication."

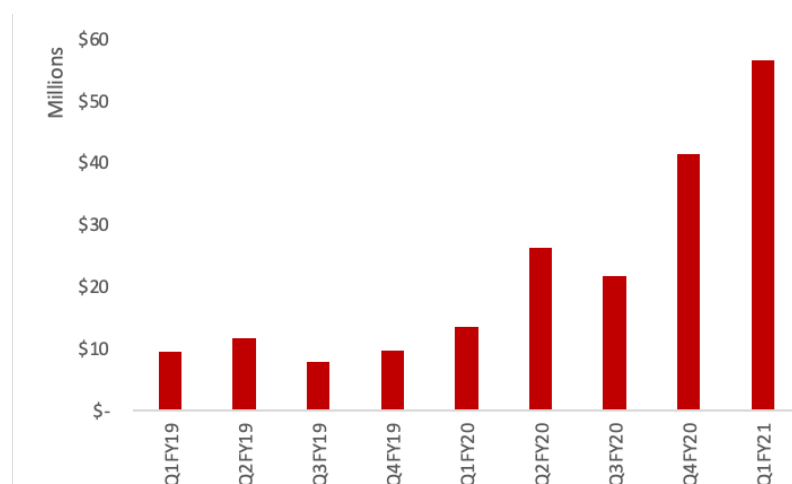
RBC and Morgans were the Joint Lead Managers and underwriters of the IPO, Henslow was the Company's corporate advisor and Maddocks acted as Legal Advisor.

MyDeal reports record Q1FY21 results

	30 Sep 2020	30 Sep 2019	Change (YoY)
Gross Sales for the quarter ending	56,669,983	13,578,471	317%
Active Customers ³ as at	669,897	181,945	268%

MyDeal experienced strong growth in Q1FY21 with Gross Sales totalling approximately \$56.7m. This is a record for the Company and represents growth of 317% YoY and 37% compared to the previous quarter.

Figure 1: Quarterly Gross Sales

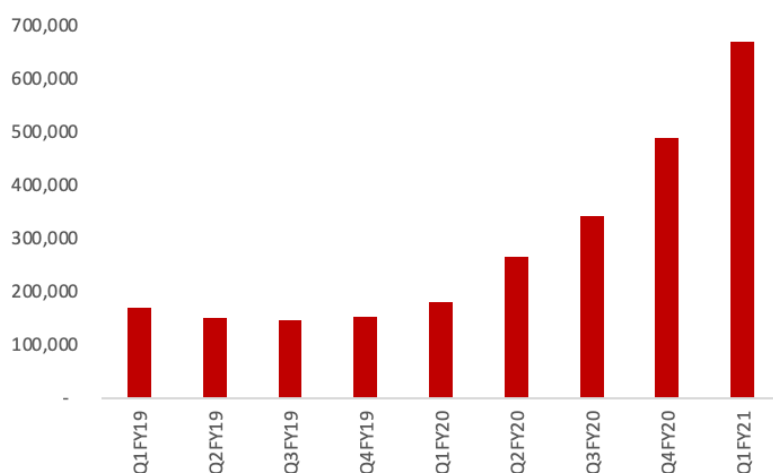


³ "Active Customers" is calculated as the number of customers that made a purchase on the marketplace within the preceding 12-month period.

Management believes that the strong growth in Gross Sales will continue into the Q2FY21 Christmas trading period. The business is well placed to capitalise on key sale events in November and December including Black Friday, Cyber Monday and Click Frenzy.

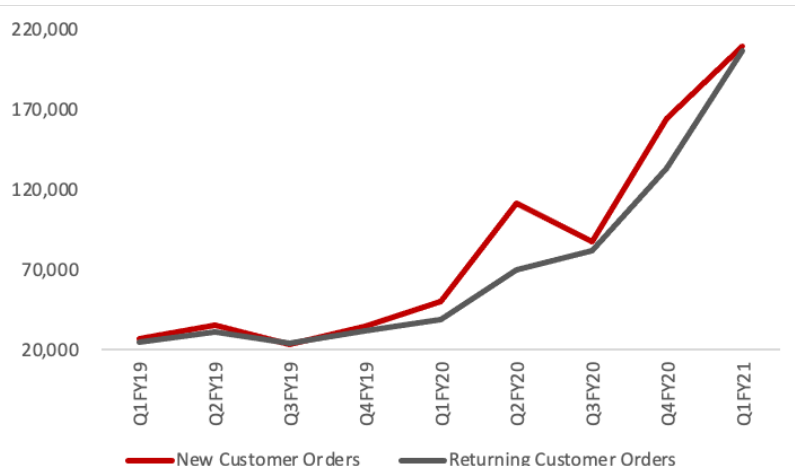
Active Customers also grew to 669,897 as at 30 September 2020 from 181,945 as at 30 September 2019.

Figure 2: Number of Active Customers



MyDeal also experienced strong growth in the number of orders from both new and returning customers in Q1FY21, up 27% and 55% respectively. 49.7% of all transactions in Q1FY21 were from repeat customers, up from 44.8% in the prior quarter.

Figure 3: Number of Orders from New Customers vs Returning Customers



Private Label

MyDeal's private label business is expanding rapidly, with over 100 products currently listed for sale on the marketplace across key categories such as furniture and homewares. MyDeal is currently enjoying average margins of 35-40% on its private label products while offering exceptional value to customers.

MyDeal started selling products under the Duke Living and ErgoDuke brands in June 2020 and has generated Gross Sales in excess of \$1.6m up to 30 September 2020. This is strong result given many of the products currently for sale on the marketplace have been sold on a presale basis.

The focus over the coming months is to significantly increase the product range, with many more new products currently in production.

About MyDeal

MyDeal is an online retail marketplace focused on household goods such as furniture and homewares. MyDeal currently has more than 1,700 sellers (of which 851 are considered Active Sellers⁴ as at 30 September 2020) on its platform with over 5 million product SKUs listed across over 2,000 categories (with the number of SKUs available for sale at any time determined by the sellers).

MyDeal's main source of revenue is a commission fee that it charges its sellers for every product and service sold on the marketplace. MyDeal also generates other ancillary revenues streams including, but not limited to:

- Transaction fees charged to the seller for each transaction completed on the marketplace;
- Advertising revenue which it generates by selling promotional opportunities to sellers on the MyDeal site and email newsletter;
- Subscription fees that are charged to sellers on a monthly basis;
- Online direct sales of its private label products; and
- Seller onboarding fees.

MyDeal's strategy comes down to winning on **price, range and experience** by:

- Investing in **Brand & Marketing** to strengthen the marketplace community and further establish "MyDeal" as an online destination for household goods in Australia;
- Focussing on **Loyalty & Retention** to increase customer purchase frequency and lifetime value; and
- Expanding MyDeal's **Private Label** product offering which is expected to deliver higher margins for the business. MyDeal will be targeting gross margins of 30%+ in respect of private label sales.

⁴ "Active Sellers" are sellers that have sold products through the platform within the last three months.

This strategy is underpinned by the utilisation of technology and data (including artificial intelligence (“AI”) and machine learning) on a scalable and proprietary built platform, that enables MyDeal to invest in these strategies efficiently and pass back value to its customers.

ENDS

Authorised for release by the Board of MyDeal.com.au Ltd.

Additional information

For further information, please visit our investor website <https://investors.mydeal.com.au> or contact Investor Relations at ir@mydeal.com.au or on (03) 9999 1091.

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